



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - Public distribution

Date: 5/16/2008

GAIN Report Number: ID8014

Indonesia

Coffee

Coffee Annual

2008

Approved by:

Elisa Wagner
U.S. Embassy

Prepared by:

Aji Bromosukumo

Report Highlights:

Coffee production is expected to decline 1 percent due to rains during pollination and a move by the GOI to encourage cocoa production over coffee production.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Annual Report
Jakarta [ID1]
[ID]

Production

Weather continues to plague major coffee production areas in Indonesia. During MY 2008/09, coffee production is forecast to decrease by 1 percent compared to the previous year due to increased rainfall during pollination that will cause a drop in production.

The area planted is also forecast to decline during the forecast year. The government of Indonesia is providing free cocoa seeds and subsidized five-year loans to encourage cocoa production under its Revitalization Program. Coffee is not included in the program. The trend of replacing coffee trees with cocoa is not expected to continue following the elections in 2009.

Consumption

Consumption of coffee continues to grow among the upper and middle classes in major urban areas despite the increase in food prices. Consumption is forecast to increase 4 percent in MY 2008/09 compared to the previous year. The trend is for new kinds and flavors of coffee, including such products as ginseng coffee and herbal coffee. Mangkuraja coffee, a form of Arabica grown in Bengkulu, is also generating some interest.

Trade

Following the decrease in production, coffee bean exports are forecast to decrease 1 percent in MY 2008/09 versus MY 2007/08.

In MY 2007/08, major markets for Arabica beans were the United States (48%), Germany (15%), Singapore and Germany (each 11%) and Italy (9%). That same year, the major markets for Robusta beans were Japan (22.5%), Germany (15%), Italy (7.2%) and the United States (7%).

PSD Table

Country Indonesia

Commodity Coffee, Green

Commodity	Coffee, Green						(1000 HA)	(MILLION TREES)	(1000 60 KG BAGS)	
	2007	Revised		2008	Estimate		2009	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin		04/2006	04/2006		04/2007	04/2007		04/2008	04/2008	MM/YYYY
Area Planted	1300	1300	1300	1300	1300	1300	0	0	1290	(1000 HA)
Area Harvested	900	900	900	900	900	900	0	0	900	(1000 HA)
Bearing Trees	1160	1160	1160	1150	1180	1150	0	0	1150	(MILLION TREES)
Non-Bearing Trees	240	240	240	220	220	220	0	0	200	(MILLION TREES)
Total Tree Population	1400	1400	1400	1370	1400	1370	0	0	1350	(MILLION TREES)
Beginning Stocks	88	88	88	48	88	48	68	88	68	(1000 60 KG BAGS)
Arabica Production	890	900	890	800	1000	800	0	0	750	(1000 60 KG BAGS)
Robusta Production	5775	5775	5775	5850	5850	5850	0	0	5850	(1000 60 KG BAGS)
Other Production	0	0	0	0	0	0	0	0	0	(1000 60 KG BAGS)
Total Production	6665	6675	6665	6650	6850	6650	0	0	6600	(1000 60 KG BAGS)
Bean Imports	300	300	300	400	350	400	0	0	450	(1000 60 KG BAGS)
Roast & Ground Imports	35	35	35	40	40	40	0	0	45	(1000 60 KG BAGS)
Soluble Imports	0	0	0	0	0	0	0	0	0	(1000 60 KG BAGS)
Total Imports	335	335	335	440	390	440	0	0	495	(1000 60 KG BAGS)
Total Supply	7088	7098	7088	7138	7328	7138	68	88	7163	(1000 60 KG BAGS)
Bean Exports	4643	4613	4643	4570	4750	4570	0	0	4505	(1000 60 KG BAGS)
Rst-Grnd Exp.	67	67	67	70	70	70	0	0	80	(1000 60 KG BAGS)
Soluble Exports	0	0	0	0	0	0	0	0	0	(1000 60 KG BAGS)
Total Exports	4710	4680	4710	4640	4820	4640	0	0	4585	(1000 60 KG BAGS)
Rst,Ground Dom. Consum	2200	2200	2200	2295	2285	2295	0	0	2340	(1000 60 KG BAGS)
Soluble Dom. Cons.	130	130	130	135	135	135	0	0	140	(1000 60 KG BAGS)
Domestic Use	2330	2330	2330	2430	2420	2430	0	0	2480	(1000 60 KG BAGS)
Ending Stocks	48	88	48	68	88	68	0	0	98	(1000 60 KG BAGS)
Total Distribution	7088	7098	7088	7138	7328	7138	0	0	7163	(1000 60 KG BAGS)
Exportable Production	4335	4345	4335	4220	4430	4220	0	0	4120	(1000 60 KG BAGS)

